

China's Social Policy Response to Covid-19: Pragmatic Adjustment of Existing Welfare Institutions

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Covid-19

Social Policy Response Series

Tobias ten Brink

Yuxin LI

Tao LIU

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of Social Policy CRC 1342



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CONTENT

ABSTRACT	3
INTRODUCTION	3
SOCIO-ECONOMIC AND SOCIAL POLICY CONTEXT	4
CHINA'S SOCIAL POLICY RESPONSE	4
Health Protection	5
Unemployment Insurance and Social Assistance	5
Elderly Care	6
Policies to Reduce Social Insurance Contributions for Enterprises	7
CONCLUSION	7
REFERENCES	7
APPENDIX 1: SOCIAL POLICY DEVELOPMENTS IN RESPONSE TO COVID-19 BY POLICY AREA (CHINA, JANUARY–SEPTEMBER 2020)	9
APPENDIX 2: SOCIAL POLICY LEGISLATION IN RESPONSE TO COVID-19 (CHINA, JANUARY–SEPTEMBER 2020)	10

CHINA'S SOCIAL POLICY RESPONSE TO COVID-19: PRAGMATIC ADJUSTMENT OF EXISTING WELFARE INSTITUTIONS

Tobias ten Brink *

Yuxin Li **

Tao Liu ***

ABSTRACT

In response to the Covid-19 pandemic, the Chinese government has utilized and pragmatically adjusted existing welfare institutions to ensure social and economic stability. This report describes the Chinese social policy responses in 2020 to mitigate the effects of the coronavirus crisis and focuses on specific countermeasures, such as cash benefits and benefits-in-kind for vulnerable people in the fields of health, social assistance, unemployment, and elderly care. Moreover, social insurance contributions for enterprises were reduced and deferred to help revive the economy. As shown in this report, many countermeasures were of a temporary nature, and can be defined as adaptations of the existing basic social security net, supplemented by administrative innovations such as the digitalization of means testing, for instance.

INTRODUCTION

Severe acute respiratory syndrome (SARS) is still vivid in Chinese policy memory (Mei 2020). The 2002–2004 SARS outbreak originated in Guangdong Province, with SARS going on to infect people from around 29 different countries (Lam 2003). The battle against SARS exposed deficits in the Chinese public health emergency system. In the aftermath, the Chinese government reformed its national crisis management system. Developing a modern tertiary disease control and prevention system was at the top of the government's agenda (Huang, 2004). Indeed, several laws were enacted, including the Law on the Prevention and Control of Infectious Diseases (传染病防治法) in 2004, the National Contingency Plan for Public Health Emergency (国家突发公共卫生事件应急预案) in 2006, and the Emergency Response Law (突发事件应对法) in 2007.

Almost 15 years later, at the end of November 2019, the fourth plenary session of the 19th Communist Party Central Committee reinforced the need for modern public health administration. Just a few weeks later, Wuhan and other parts of Hubei Province were in the grip of the novel coronavirus (SARS-CoV-2). In the following months, the Chinese economy was badly hit, with hundreds of thousands of businesses near collapse, and millions of workers unemployed. However, like in other East Asian countries, the extraordinarily strict lockdowns in much of the country did contain virus transmission, and kept the situation from spiralling out of control (see Soon et al. 2021).¹ What have been the Chinese government's social policy-related responses to this severe public health crisis and economic downturn? Before answering this, we briefly introduce China's existing welfare institutions.

1 For an overview on China's reaction to the Corona crisis more generally, see Holbig 2020.

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SOCIO-ECONOMIC AND SOCIAL POLICY CONTEXT

In 2019, China had a GDP per capita of USD 10,276, at upper-middle income level according to the World Bank.² In the preceding decades, when China became the second biggest economy on the planet, the party-state also had developed a new welfare regime to safeguard social integration, and thus social peace. While from the 1980s onwards, the old Maoist social security system was eroding, leaving large parts of the population barely covered by any form of public social protection, from the 1990s onwards a set of contribution-based social insurance schemes partially based on Western and East Asian models was implemented (see Ngok and Chan 2016; ten Brink et al. 2020). Indeed, a relatively comprehensive social safety net has been developed over the last two decades (ILO 2019), albeit one that provides many with only minimal benefits. It is comprised of different sub-systems such as social insurance (社会保险), social assistance (社会救助), and social welfare (社会福利) (Zheng 2010; Hu 2019; Jin 2020; Lu et al. 2020). Next to basic urban and rural social assistance programs (the Minimum Living Standard Scheme MLSS or *dibao*) and a system of elderly care, the Chinese welfare state now is centered on a system of social insurance schemes, with relatively generous urban employee insurances (pensions, health, unemployment, work accident, maternity) on the one hand, and rudimentary citizen insurances for rural residents and mostly informal urban workers (pensions, health) on the other. This is historically linked to the household registration or *hukou* system, which ascribed citizens with a rural or urban residency status, and perpetuated gaps between urban and rural incomes and, thus, the provision of social welfare.

All in all, before the pandemic, social welfare spending in China stood at about 10% of GDP. While this is behind Japan and other OECD countries with over 20% of GDP, it is indeed at the same level as South Korea or Taiwan. In comparison to other East Asian welfare regimes though (Soon et al. 2021), most financial and administrative responsibilities rest with local governments.

CHINA'S SOCIAL POLICY RESPONSE

In response to the Covid-19 pandemic, the Chinese central government imposed countermeasures coupled with robust financial support, providing cash benefits and benefits-in-kind for vulnerable people. Moreover, an economic bailout including reduced social insurance contributions for enterprises helped revive the economy. As shown in this report, many countermeasures were of a temporary nature, and can be described as adjustments to the existing basic social security net. The coronavirus crisis had already been brought under control by summer 2020, at which point, unlike in many other countries, the Chinese social security system was no longer in acute danger of strong destabilization. This is currently still the case (as of March 2021).

The series of pragmatic institutional adjustments were mostly temporary modifications of existing social protection programs, which provided a buffer against the crisis (also see Appendix 1 and 2). These included loosening requirements for entitlement to social benefits and deferring or reducing social contributions for enterprises. Moreover, some adjustments supported institutional change and administrative innovation, such as digitalizing administrative management of social service provision, legislation preparation and benefit program reorganisation.

Of course, financial resources were crucial to these adjustments. A fixed financial budget was a prerequisite for launching the countermeasures, while a lump-sum cash transfer sustained the adjustments. The Chinese government scheduled two trillion Chinese Yuan (CNY), roughly 2% of its 2020 GDP, to revitalize labor markets and secure livelihoods affected by Covid-19, of which CNY 1.6 trillion was reserved to offset a reduction in social insurance contributions from enterprises in 2020 (Chinese Central Government's Official Web 2020).

The following sections focus on responses in health insurance, unemployment insurance, social assistance, and elderly care, from January to September 2020, and on special emergency policies to reduce the social insurance contributions of enterprises. Note that our focus in this report is on policy adoption, not on policy implementation.

2 <https://data.worldbank.org/indicator/NY.GDP.PCAP.CD?locations=CN>

Health Protection

Since the outbreak of the pandemic, the health protection system, including health insurance for urban employees with formal employment, health insurance for urban residents, and the new rural cooperative medical insurance for peasants (Zeng 2011), played a significant role in lessening the impact of the pandemic by providing treatment and care for infected patients.

On 22 January 2020, the National Medical Insurance Administration (NMIA, 国家医疗保障局) and the Ministry of Finance (MoF 财政部) issued a Notice on Improving Medical Protection for Pneumonia Caused by the Coronavirus (关于做好新型冠状病毒感染的肺炎疫情医疗保障的通知). The aim of the notice was to ensure that the treatment of patients would not be affected by cost issues. The notice set out the following: medical expenses incurred by patients diagnosed with coronary pneumonia were to be compensated by (1) basic medical insurance (either for urban employees or for urban and rural residents), (2) critical illness insurance, and (3) medical assistance. Moreover, individuals' self-payments were to be subsidized by public finances. Patients diagnosed with coronary pneumonia and seeking medical treatment outside their hometowns were to be treated first and their medical bills settled afterwards. For those medical institutions accepting larger numbers of patients, medical insurance agencies were to pay part of the funds in advance to reduce the financial pressure caused by having to wait for bills to be settled. Medical insurance agencies were to promptly adjust the total budget indicators of the relevant medical institutions and budget separately for the medical expenses of patients infected with coronary pneumonia. Medical insurance agencies at all levels were to assure prompt settlement with medical institutions to ensure the smooth progress of treatment (NMIA and MoF 2020).

On 27 January, the Office of the National Medical Insurance Administration, in conjunction with the General Office of the Ministry of Finance and the General Office of the National Health Commission, issued the Supplementary Notice on Making Efforts in Medical Protection for the Pneumonia Caused by Coronavirus Infection (关于做好新型冠状病毒感染的肺炎疫情医疗保障工作的补充通知). According to this notice, the personal burden and out-of-pocket expenses caused by the diagnosis and treatment of coronavirus were to be subsidized by state revenues, and the central government was to subsidize the medical treatment when appropriate. Thus, the responsibility of central government in the national "battle against coronavirus" was addressed in this supplementary document (NMIA et al. 2020). When a patient is diagnosed with coronary pneumonia, regardless of whether that patient is part of a social medical insurance scheme (including medical insurance for urban employees and medical insurance for urban and rural residents) or not, the state will subsidize the patient's treatment costs, particularly in the two fields of "fever screening" and "examination of suspected patients". Of these patients, those who have basic medical insurance for urban employees can be reimbursed 70–80% of their medical expenses. Patients with basic medical insurance for urban and rural residents can receive reimbursement for 50–60% of their medical expenses.

During the coronavirus crisis, the effective use of the newly-founded Emergency Fund for Public Health Emergencies (National Health Commission Website 2020) has become a subject of debate. In light of the fact that China has experienced several sudden public health crises recently, including SARS and H5N1, developing a financial response to emergencies was seen as an important and urgent task nationwide. During public health incidents, patients are usually under greater pressure, and according to the current Chinese medical system, must pay certain medical expenses in advance of diagnosis. Therefore, in order to lessen the financial burden of patients, especially those without insurance, Chinese authorities have allocated some of the resources from the social medical insurance fund to establish the emergency fund for public health to provide the social medical insurance scheme with more scope to respond to emergencies.

Unemployment Insurance and Social Assistance

The pandemic has had a serious impact on the livelihoods of countless employees and residents. Since many enterprises stopped their production lines or reduced staff, and many small businesses and restaurants declared bankruptcy, guaranteeing minimum subsistence levels for millions of China's citizens became a daunting challenge. Moreover, having suddenly lost their jobs, millions of migrant workers had to return to their home villages. Social protection systems in this policy field, particularly social assistance, i.e. *dibao* or the Minimum Living Standard Scheme MLSS (Wang and Lin 2015; Liu 2014) and unemployment insurance (Tian 2018) have contributed

to alleviating the negative effects of coronavirus (see, however, Lardy and Huang 2020, who argue that with regard to unemployment insurance many employees actually did not receive insurance benefits).³

The unemployment insurance system performed the standard function of coping with the consequences of economic recession. The departments responsible for unemployment protection at the local level have issued regulations that clearly stipulate that insured persons who become unemployed as a result of the coronavirus crisis in severely affected areas such as Hubei Province are to promptly receive unemployment benefits and a moderate subsidy no higher than the local unemployment insurance standard. Moreover, enterprises that have not laid off or reduced staff during the pandemic can receive a subsidy from the local unemployment insurance fund (Lu et al. 2020). The government focused on refunding up to 100 percent of unemployment contributions paid in 2019 by small and medium-sized enterprises if they “refrained from significant layoffs” (Soon et al. 2021: 6). Regarding active labor market policies, Soon et al. (2021) also report several public infrastructure projects to create jobs at city level.⁴

Regarding social assistance, in addition to the regular social assistance scheme, China has a total of eight programs for specific categories of assistance, including assistance for health, assistance for education, assistance for unemployment etc. (Liu 2014). These assistance programs therefore were to perform a subsidiary function in protecting the social security of citizens. One significant problem, however, was that only those who have already received cash benefits from the MLSS were entitled to the benefits from these assistance programs. Citizens whose income was slightly above the threshold for the MLSS social assistance scheme, for instance, were precluded from receiving any benefits from social assistance programs.⁵

Moreover, at the national level, the main body responsible for social assistance, the Ministry of Civil Affairs (MoCA), has adopted various social emergency measures and plans since the outbreak of the pandemic with the aim of simplifying the complex application procedures for *dibao* benefits – for instance, in some areas most heavily affected by the pandemic, the means test, which previously took the form of a family visit and face-to-face interviews, has been largely replaced with a digital test. The poor can now also use smartphones to apply for a cash transfer from the social assistance program. In addition, many cities opened a hotline to help the underprivileged and many local communities have temporarily provided rudimentary “assistance in advance” for those in need even without a formal process of means testing by the state departments (MoCA 2020).

Elderly Care

In China, there are around 254 million elderly people (over the age of 60), of whom about 40 million are totally or partially care dependent (Liu and Sun 2015). Early on in the crisis, it became clear that the elderly with pre-existing conditions, in particular, have a higher rate of severe illness and mortality if infected with coronavirus than other groups. Care for the elderly was thus seen as particularly important.

On 18 February 2020, the State Council issued the Notice on Further Efforts in the Prevention and Control of the Coronary Pneumonia Epidemic in Institutions of Integrated Care in response to the national strategy for joint prevention and control of the pandemic, requesting an improvement in the prevention and control of the pandemic in elder care institutions (关于进一步做好医养结合机构新冠肺炎疫情防控工作的通知; State Council 2020). In particular, the issue of elderly care in nursing homes has attracted attention during the crisis. With community care services being suspended due to the pandemic, caring for elderly citizens living alone, for

3 Regarding the role of unemployment insurance, Lardy and Huang (2020) emphasize that it is one of the weakest elements of China’s social safety net with limited coverage, very basic benefits, and only a fraction of the unemployed actually receiving benefits: “Official Chinese data show an average unemployment rate of 5.8 percent in the first quarter [of 2020], implying there were more than 25 million unemployed workers in China. But less than one-tenth this number, only 2.3 million workers, drew unemployment benefits” (Lardy and Huang 2020). Moreover, according to Lardy and Huang, unemployed workers were undercounted so that the share of the unemployed actually receiving insurance benefits was even lower. In addition, it seems that the number of unemployed applying for temporary unemployment subsidies was low.

4 For a comparison with Japan, South Korea and Taiwan, see Soon et al. 2021.

5 Thus, during the crisis, the Chinese welfare state would have needed a more flexible approach to allow those poorer citizens to apply for benefits from social assistance programs, even if they were not “poor enough” according to the official poverty line.

instance, presented a significant challenge. In response to this situation, various local governments across China (e.g. Hubei Province) have coordinated actors and allocated resources from families, communities, and social organizations, providing online and offline protection services, and implementing community elder care information sharing initiatives. The Chinese government also assigned social organizations and professionals with the task of conducting extensive family-oriented nursing activities and nursing skills training.

— Policies to Reduce Social Insurance Contributions for Enterprises

Since the impact of the Covid-19 pandemic on employment has been more serious and complicated than that of the SARS crisis in 2003, helping individual enterprises to overcome difficulties was seen as pivotal to stabilizing employment and the economy. Thus, governmental departments have formulated various policies for different regions and different types of enterprises to reduce social insurance contributions – policies that in the West would rather fall under the category of economic bailout, not labor market policy. For example, in Hubei Province, where the pandemic has been most severe, the government has exempted certain employers (except for those in the public sector) from paying social insurance contributions for a maximum of five months. For other regions, the social insurance contributions of large enterprises were halved for a period of no more than three months, and for a maximum of five months for small and medium-sized enterprises (Lu et al. 2020). Finally, enterprises experiencing difficulties with production and operations could apply for deferred payment of social insurance contributions for up to six months. The above contributions refer to the share paid by the employer; payments by individual employees still had to be made on time.

— CONCLUSION

The Covid-19 pandemic has without a doubt seriously challenged social stability and cohesion in China. In terms of the social policy-related responses to this crisis, the basic social safety net, which had been significantly expanded over the last two decades, played a crucial role in alleviating the disastrous effects of the coronavirus pandemic, providing cash benefits (such as MLSS allowances) and benefits-in-kind for vulnerable people (including medical tests, diagnosis, treatment, and other social services for the elderly). In addition, reduced social insurance contributions for enterprises helped many (though not all) to survive. Implementation problems did emerge though, as indicated by the low number of unemployed actually receiving insurance benefits. Still, for many other Chinese citizens existing welfare institutions have in fact acted as a functional and institutional “stabilizer” during the Covid-19 and post-Covid-19 period. This, then, resembles other productivist welfare regimes in East Asia, which have been described as “crisis managers” to ensure social and economic stability in the face of the pandemic (Soon et al. 2021: 11).

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**APPENDIX 1: SOCIAL POLICY DEVELOPMENTS IN RESPONSE TO COVID-19 BY POLICY AREA
(CHINA, JANUARY–SEPTEMBER 2020)**

	Policy Area	Pensions	Healthcare	Long-term care and disability	Labour market	Education
(1)	Have there been any significant legislative reforms in the indicated policy area during the indicated time period?	Yes	Yes	Yes	Yes	No
(2)	If (1) yes, have any of these reforms been explicit responses to the Covid-19 pandemic?	Yes	Yes	Yes	Yes	N/A
(3)	If (2) yes, has there been significant regional variation in the implementation of these reforms?	Yes	Yes	Yes	Yes	N/A
(4)	Have subnational governments enacted any significant legislative reforms in the indicated policy area during the indicated time period?	Yes	Yes	Yes	Yes	N/A
	Policy Area	Family benefits	Housing	Social assistance	Other*	
(1)	Have there been any significant legislative reforms in the indicated policy area during the indicated time period?	No	No	Yes	N/A	
(2)	If (1) yes, have any of these reforms been explicit responses to the Covid-19 pandemic?	N/A	N/A	Yes	N/A	
(3)	If (2) yes, has there been significant regional variation in the implementation of these reforms?	N/A	N/A	Yes	N/A	
(4)	Have subnational governments enacted any significant legislative reforms in the indicated policy area during the indicated time period?	N/A	N/A	Yes	N/A	

* Legislative reforms in other policy areas explicitly aimed at social protection, e.g. food subsidies or tax cuts aimed at social protection.

APPENDIX 2: SOCIAL POLICY LEGISLATION IN RESPONSE TO COVID-19 (CHINA, JANUARY–SEPTEMBER 2020)

Note: We focus here on key national legislative responses, mostly Notices (which are binding though not formal statutory laws; in the Chinese case, this is a very typical form of legislation) and not on the many local responses which have been introduced across China in 2020. Zhang et al. (2020) selected 140 Covid-19-related policy documents ratified by national and municipal administrations from January 20th to March 20th and identified eight key areas of policy concern through the lens of quantitative text analysis. The collected policies consist of Notices (通知, 77.14%), Announcements (公告, 7.86%), Plans (方案, 6.42%), Measures (措施, 2.86%), Guidelines (指南, 3.57%) and Opinions (意见, 2.14%).

Law 1		
(1)	Number of law	No. 33 [2020] of the State Administration of Taxation
(2)	Name of law (original language)	税务局关于贯彻落实阶段性减免企业社会保险政策的通知
(3)	Name of law (English)	Notice by the State Administration of Taxation on Implementing the Policies for Temporary Reduction and Exemption of Enterprises' Social Insurance Contributions
(4)	Date of first parliamentary motion	20 February 2020
(5)	Date of law's enactment	25 February 2020
(6)	Date of law's publication	25 February 2020
(7)	Is the Covid-19 pandemic explicitly mentioned as a motivation in the law or any accompanying text?	Yes
(8)	Was the Covid-19 pandemic a motivation for the initial parliamentary motion for this law?	Yes
(9)	Was the Covid-19 pandemic a motivation for a significant revision of the legislative project after the initial parliamentary motion?	Yes
(10)	Note on (7)-(9)	This Notice aims to extend the temporary reduction, deferral and exemption of enterprises' social insurance contributions from February to June, and to promote a national online service platform for social insurance, which reduces physical contact. This notice reinforces two regulations issued by the State Council, the Ministry of Human Resources and Social Security, the Ministry of Finance, the State Taxation Administration and National Healthcare Security Commission. In June 2020, the Notice of Extending the Implementation Period of the Policies Regarding the Temporary Reduction and Exemption of Enterprises' Social Insurance Contributions and Other Issues, prolonged relief for pension, unemployment insurance and occupational accident insurance contributions to the end of 2020.
(11)	Was this law a legislative package that contained multiple social reform components?	Yes
(12)	If (11) yes, how many distinct social reform components did it contain?	Three
Law 1: Component 1		
(13)	Policy Area	Pensions
(14)	Brief description of reform component	Enterprises' contributions for pensions were reduced or cancelled. The specific duration and measures depend on the enterprise and its region. For example, only Hubei Province cancelled all employers' social insurance contributions for pensions, unemployment, and occupational accident between February and June. For other provinces and cities, it was still compulsory for large enterprises to pay the contributions, although three months' payments could be halved. In addition, subnational governments also enacted special local policies, such as adjusting employer contribution rates and deferring payment.

Law 1: Component 1		
(15)	Change in coverage of existing benefits?	Not Applicable
(16)	Duration of coverage change?	Not Applicable
(17)	<i>If fix-term, duration in months</i>	-
(18)	Note on (15)-(17)	-
(19)	Change in generosity of existing benefits?	Not Applicable
(20)	Duration of generosity change?	Not Applicable
(21)	<i>If fix-term, duration in months</i>	-
(22)	Note on (19)-(21)	-
(23)	Introduction of new benefits?	Yes
(24)	Duration of new benefits?	Fix-term
(25)	<i>If fix-term, duration in months</i>	11
(26)	Note on (23)-(25)	In June, the Notice of Extending the Implementation Period of the Policies Regarding the Temporary Reduction and Exemption of Enterprises' Social Insurance Contributions and Other Issues prolonged the flexible relief to the end of 2020.
(27)	Cuts of existing benefits?	Not Applicable
(28)	Note on (27)	-
(29)	Estimated cost of reform in 2020 (national currency)	From February to June, the government reduced and cancelled enterprises' social insurance contributions for pensions, unemployment and occupational accident to the sum of CNY 576.9 billion, and deferred CNY 43.1 billion. The estimated cost of the reduced and cancelled contributions will reach CNY 1.6 trillion. ⁶
(30)	Estimated cost of reform in 2021 (national currency)	-
(31)	National Currency Code (ISO 4217)	CNY 156
(32)	Source of cost estimation	News report
(33)	Note (29)-(31)	-
(34)	If the implementation of the reform should already have started, has the reform been implemented?	to a large degree

Law 1: Component 2		
(13)	Policy Area	Labor market
(14)	Brief description of reform component	Enterprises' contributions for unemployment and occupational accident insurance are reduced or cancelled. The specific duration and measures depend on the enterprise and its province. For example, only Hubei Province cancelled all employers' social insurance contributions for pensions, unemployment, and occupational accident between February and June. For other provinces and cities, large enterprises still had to pay the contributions, although three months' payments can be halved. In addition, subnational governments enacted local policies, such as adjusting employer contribution rates and deferring payments.
(15)	Change in coverage of existing benefits?	Not Applicable
(16)	Duration of coverage change?	Not Applicable
(17)	<i>If fix-term, duration in months</i>	-
(18)	Note on (15)-(17)	-
(19)	Change in generosity of existing benefits?	Not Applicable
(20)	Duration of generosity change?	Not Applicable
(21)	<i>If fix-term, duration in months</i>	-
(22)	Note on (19)-(21)	-
(23)	Introduction of new benefits?	Yes
(24)	Duration of new benefits?	Fix-term
(25)	<i>If fix-term, duration in months</i>	11

⁶ <http://www.scio.gov.cn/xwfbh/gbwxfbh/xwfbh/rlyhshbzb/Document/1684184/1684184.htm>

Law 1: Component 2		
(26)	Note on (23)-(25)	In June, the Notice of Extending the Implementation Period of the Policies Regarding the Temporary Reduction and Exemption of Enterprises' Social Insurance Contributions and Other Issues prolonged the flexible relief to the end of 2020. So, the duration lasts from the beginning of February to the end of December 2020.
(27)	Cuts of existing benefits?	Not Applicable
(28)	Note on (27)	-
(29)	Estimated cost of reform in 2020 (national currency)	From February to June, the government reduced and cancelled enterprises' social insurance contributions for pensions, unemployment and occupational accident to the sum of CNY 576.9 billion, and deferred CNY 43.1 billion. The estimated amount of the reduced and exempted contributions will reach CNY 1.6 trillion. ⁷
(30)	Estimated cost of reform in 2021 (national currency)	-
(31)	National Currency Code (ISO 4217)	-
(32)	Source of cost estimation	News report
(33)	Note (29)-(31)	-
(34)	If the implementation of the reform should already have started, has the reform been implemented?	to a large degree

Law 1: Component 3		
(13)	Policy Area	Healthcare
(14)	Brief description of reform component	Enterprises' contributions for social health insurance are reduced or deferred. The duration and measures depend on the social pooling fund's balances and on local decisions.
(15)	Change in coverage of existing benefits?	Not Applicable
(16)	Duration of coverage change?	Not Applicable
(17)	If fix-term, duration in months	-
(18)	Note on (15)-(17)	-
(19)	Change in generosity of existing benefits?	Not Applicable
(20)	Duration of generosity change?	Not Applicable
(21)	If fix-term, duration in months	-
(22)	Note on (19)-(21)	-
(23)	Introduction of new benefits?	Yes
(24)	Duration of new benefits?	Fix-term
(25)	If fix-term, duration in months	5
(26)	Note on (23)-(25)	From February to June
(27)	Cuts of existing benefits?	Not Applicable
(28)	Note on (27)	-
(29)	Estimated cost of reform in 2020 (national currency)	The estimated amount of reduced contributions is around CNY 165 billion. ⁸
(30)	Estimated cost of reform in 2021 (national currency)	-
(31)	National Currency Code (ISO 4217)	CNY 156
(32)	Source of cost estimation	News report
(33)	Note (29)-(31)	-
(34)	If the implementation of the reform should already have started, has the reform been implemented?	to a large degree

7 <http://www.scio.gov.cn/xwfbh/gbwxwfbh/xwfbh/rlyzhshbzb/Document/1684184/1684184.htm>

8 http://www.gov.cn/xinwen/2021-01/14/content_5579761.htm

Law 2		
(1)	Number of law	No. 40 [2020] of the Ministry of Human Resources and Social Security
(2)	Name of law (original language)	人力资源社会保障部 财政部 关于扩大失业保险范围的通知
(3)	Name of law (English)	Notice by the Ministry of Human Resources and Social Security and the Ministry of Finance of Expanding the Coverage of Unemployment Insurance
(4)	Date of first parliamentary motion	29 May 2020
(5)	Date of law's enactment	29 May 2020
(6)	Date of law's publication	29 May 2020
(7)	Is the Covid-19 pandemic explicitly mentioned as a motivation in the law or any accompanying text?	Yes
(8)	Was the Covid-19 pandemic a motivation for the initial parliamentary motion for this law?	Yes
(9)	Was the Covid-19 pandemic a motivation for a significant revision of the legislative project after the initial parliamentary motion?	Not Applicable
(10)	Note on (7)-(9)	This Notice aims at ensuring the basic living standards of unemployed persons. Furthermore, unemployment benefit was extended to people who were unemployed but not entitled or eligible to receive unemployment benefits. Since rural migrant workers are located in an inferior position in the unemployment protection system, this notice contains dual benefit regulations for rural and urban workers.
(11)	Was this law a legislative package that contained multiple social reform components?	No
(12)	If (11) yes, how many distinct social reform components did it contain?	One

Law 2: Component 1		
(13)	Policy Area	Labor market
(14)	Brief description of reform component	This policy advances the coverage and benefit level of unemployment insurance to milden the effects of the pandemic. This legislative regulation includes a new temporary unemployment subsidy for insured urban and rural workers.
(15)	Change in coverage of existing benefits?	Expansion
(16)	Duration of coverage change?	Yes
(17)	If fix-term, duration in months	Up to 12 months
(18)	Note on (15)-(17)	Older unemployed workers who are less than one year away from statutory retirement age in December 2019 can extend receipt of their unemployment insurance benefit until statutory retirement age.
(19)	Change in generosity of existing benefits?	Expansion
(20)	Duration of generosity change?	Fix-term
(21)	If fix-term, duration in months	Three months
(22)	Note on (19)-(21)	The price subsidy is a temporary mechanism to improve basic living standards for vulnerable groups. The unemployment benefits include the price subsidy. From March to June 2020, the price subsidy standard doubled.
(23)	Introduction of new benefits?	Yes
(24)	Duration of new benefits?	Fix-term
(25)	If fix-term, duration in months	Up to six months
(26)	Note on (23)-(25)	From March to December 2020, temporary unemployment subsidy is available for unemployed persons who enrolled in unemployment insurance but failed to claim the benefits. Targeted unemployed persons can be divided into urban employees and rural migrant workers. Urban employees can apply for the temporary unemployment subsidy for six months, and the subsidy standard is not allowed to exceed 80% of the local unemployment insurance benefits. Rural migrant workers who have paid employment contributions for less than one year can receive the provisional subsistence subsidy for up to three months, and this subsidy references the local minimum living standard.

Law 2: Component 1		
(27)	Cuts of existing benefits?	No
(28)	Note on (27)	-
(29)	Estimated cost of reform in 2020 (national currency)	More than CNY 25.4 billion ⁹
(30)	Estimated cost of reform in 2021 (national currency)	-
(31)	National Currency Code (ISO 4217)	CNY 156
(32)	Source of cost estimation	News report
(33)	Note (29)-(31)	-
(34)	If the implementation of the reform should already have started, has the reform been implemented?	to a large degree

Law 3		
(1)	Number of law	No. 25 [2020] of the General Office of the State Council
(2)	Name of law (original language)	中共中央办公厅 国务院办公厅印发 《关于改革完善社会救助制度的意见》
(3)	Name of law (English)	Opinion by the General Office of the Central Committee of the Communist Party of China and the General Office of State Council on Reforming and Improving the Social Assistance System
(4)	Date of first parliamentary motion	29 April 2020
(5)	Date of law's enactment	25 August 2020
(6)	Date of law's publication	25 August 2020
(7)	Is the Covid-19 pandemic explicitly mentioned as a motivation in the law or any accompanying text?	No
(8)	Was the Covid-19 pandemic a motivation for the initial parliamentary motion for this law?	Yes
(9)	Was the Covid-19 pandemic a motivation for a significant revision of the legislative project after the initial parliamentary motion?	Yes
(10)	Note on (7)-(9)	This opinion is embedded in the 13th Standing Committee of the National People Congress's legislative plan. During the first wave of the Covid-19 pandemic, the government issued several acts to safeguard the livelihood of the vulnerable population, such as the Notice on Improving Medical Protection for Pneumonia Caused by the Coronavirus and the Supplementary Notice on Making Efforts in Medical Protection for the Pneumonia Caused by Coronavirus Infection. The public health crisis exposed social security gaps, so the committee proposed a legislative plan for strengthening public health security, which set the agenda for a new social assistance law that was proposed on 29 April 2020. ¹⁰ This opinion intends to improve social assistance service and prepare a first draft of the social assistance law, upon which the state council solicited comments on 7 September 2020.
(11)	Was this law a legislative package that contained multiple social reform components?	No
(12)	If (11) yes, how many distinct social reform components did it contain?	-

⁹ <http://www.scio.gov.cn/xwfbh/gbwxwfbh/xwfbh/rlzyhshbzb/Document/1684184/1684184.htm>

¹⁰ <http://www.npc.gov.cn/npc/c30834/202004/903f1ee3cc0b44cf8b99f945018a1e04.shtml>

Law 3: Component 1		
(13)	Policy Area	Social assistance
(14)	Brief description of reform component	This opinion has short-term and long-term goals to consolidate and professionalize the social safety net's base – the social assistance system. It plans to recalibrate the social assistance programs and build a comprehensive multi-level social assistance system with strong legal backup in the following two years and to achieve a robust social security net with high service quality by 2035.
(15)	Change in coverage of existing benefits?	Expansion
(16)	Duration of coverage change?	Not Applicable
(17)	If fix-term, duration in months	-
(18)	Note on (15)-(17)	The targeted population is enlarged with new specific social assistance programs. Furthermore, this act underlines the groups without full civil rights capacity, such as the disabled and children. The social programs start to take the custody situation seriously when rendering aid and relief.
(19)	Change in generosity of existing benefits?	Expansion
(20)	Duration of generosity change?	Indefinite
(21)	If fix-term, duration in months	-
(22)	Note on (19)-(21)	This document extended the time frame for the special relief and support for children. The end of the age entitlement rises by two years, namely from 16 to 18 years old.
(23)	Introduction of new benefits?	Yes
(24)	Duration of new benefits?	Indefinite
(25)	If fix-term, duration in months	-
(26)	Note on (23)-(25)	This legislative regulation encourages social assistance service innovations and proposes a basic service pattern of Goods plus Services (物质+服务) through government's purchase of public services delivered by professional social organizations, such as social workers and psychologists. Furthermore, modern information technology will be essential in upgrading the social assistance's service and management.
(27)	Cuts of existing benefits?	No
(28)	Note on (27)	-
(29)	Estimated cost of reform in 2020 (national currency)	-
(30)	Estimated cost of reform in 2021 (national currency)	-
(31)	National Currency Code (ISO 4217)	-
(32)	Source of cost estimation	Click and choose an element
(33)	Note (29)-(31)	-
(34)	If the implementation of the reform should already have started, has the reform been implemented?	to a large degree

Law 4		
(1)	Number of law	NO.37 [2020] of the National Medical Insurance Administration
(2)	Name of law (original language)	国家医保局 财政部关于扩大长期护理保险的指导意见
(3)	Name of law (English)	Opinion by the National Medical Insurance Administration and the Ministry of Finance on Expanding the Long-term Care Insurance
(4)	Date of first parliamentary motion	10 September 2020
(5)	Date of law's enactment	10 September 2020
(6)	Date of law's publication	10 September 2020
(7)	Is the Covid-19 pandemic explicitly mentioned as a motivation in the law or any accompanying text?	No

Law 4		
(8)	Was the Covid-19 pandemic a motivation for the initial parliamentary motion for this law?	No
(9)	Was the Covid-19 pandemic a motivation for a significant revision of the legislative project after the initial parliamentary motion?	Not Applicable
(10)	Note on (7)-(9)	On 18 February the Notice on Further Efforts in the Prevention and Control of the Coronary Pneumonia Epidemic in Institutions of Integrated Care raised concerns about elder care institutions' prevention and control measures against the pandemic.
(11)	Was this law a legislative package that contained multiple social reform components?	No
(12)	If (11) yes, how many distinct social reform components did it contain?	-

Law 4: Component 1		
(13)	Policy Area	Long-term care and disability
(14)	Brief description of reform component	The opinion aims to double the pilot cities' number to 28 and enlarges long-term care insurance coverage. Furthermore, "Internet Plus" is an innovative tool for reinforcing and improving long-term care insurance institutionalization. This could be a driving force to accelerate the pace of enlarging long-term care insurance.
(15)	Change in coverage of existing benefits?	Expansion
(16)	Duration of coverage change?	Yes
(17)	If fix-term, duration in months	24 months
(18)	Note on (15)-(17)	-
(19)	Change in generosity of existing benefits?	Not Applicable
(20)	Duration of generosity change?	Not Applicable
(21)	If fix-term, duration in months	-
(22)	Note on (19)-(21)	-
(23)	Introduction of new benefits?	Not Applicable
(24)	Duration of new benefits?	Not Applicable
(25)	If fix-term, duration in months	-
(26)	Note on (23)-(25)	-
(27)	Cuts of existing benefits?	Not Applicable
(28)	Note on (27)	-
(29)	Estimated cost of reform in 2020 (national currency)	-
(30)	Estimated cost of reform in 2021 (national currency)	-
(31)	National Currency Code (ISO 4217)	-
(32)	Source of cost estimation	Click and choose an element
(33)	Note (29)-(31)	-
(34)	If the implementation of the reform should already have started, has the reform been implemented?	to a large degree